

**DVD & ASSOCIATES**

Company Secretaries

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**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st MARCH 2019**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members  
Shree Renuka Sugars Limited  
BC 105, Povlock Road, Off Havelock Road,  
Cantonment, Belgaum 590 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by M/s. Shree Renuka Sugars Limited (hereinafter called "the Company").

The Secretarial Audit was conducted for the period from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019, in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act and the laws specifically listed below.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2019 according to the provisions of the following list of laws and regulations with our observations on the same:

**(i) The Companies Act, 2013 (the Act) and the Rules made there under:** The Company has satisfactorily complied with the provisions of the Companies Act, 2013 and the Rules made there under and there are no discrepancies observed by us during the period under review except the following points:

a. The vacancy of woman Director after resignation on 30th June 2018 was filled on 08th February 2019.



b. The Company has transferred Dividends which have remained unclaimed for a period of 7 years or more, during the year 2018-19, to the Investor Education and Protection Fund. The shares in respect of such Dividends have been transferred to the IEPF in accordance with Section 124 (6) of the Act. In respect of transfer of shares to IEPF for earlier year, there was a query raised by the Registrar of Companies and which was satisfactorily replied by the Company.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under: The Company has complied with the provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA').

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:

The Company is a listed public company the shares are in dematerialised form and the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

(iv) The Company has satisfactorily complied with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings and there are no discrepancies observed by us during the period under review.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable for the period under review);

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable for the period under review);

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable for the period under review); and

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable for the period under review)

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable for the period under review);



The Company is a listed Company and provisions of Regulations and Guidelines mentioned above and prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are duly complied by the Company.

I further report that, as per the opinion of the officers of the Company and information provided by them the following specific applicable laws on the basis of activities of the Company are complied with by the Company:

- a. Sugar Cess Act, 1982
- b. The Sugar (Control) Order, 1966
- c. The Sugarcane (Control) Order, 1966
- d. FSSA, 2006
- e. Essential Commodities Act, 1955
- f. Indian Boilers Act, 1923
- g. The Electricity Act, 2003
- h. The Legal Metrology Act, 2009

**We have also examined compliance with the applicable clauses of the following:**

(i) Secretarial Standards issued by The Institute of Company Secretaries of India. The Company has duly complied with the Secretarial Standards for the period under review.

(ii) The Listing Agreement entered into by the Company with BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai in respect of Shares issued by the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **except that the vacancy of woman Director after resignation on 30th June 2018 was filled on 08th February 2019.**

During the period under review the Company has complied with the applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. which are mentioned above.

**We further report that:-**

There are adequate systems and processes in the company commensurate with its size & operation to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law and environmental laws.

The Board of Directors of the Company is duly constituted with proper balance of appointment of Independent Directors as required by Section 149 of the Companies Act, 2013.

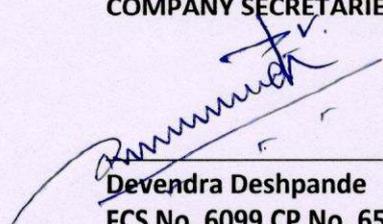
Adequate notice is given to all directors about the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. All decisions at Board Meetings were carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors.



We further report that during the audit period no major decisions, specific events/ actions have occurred which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:

- a. There were letters of non compliance issued by the BSE Limited and National Stock Exchange Limited in respect of appointment of Woman Director after the vacancy caused due to resignation and the same has been replied by the Company after making the payment of requisite penalty.
- b. There was a letter in respect of transfer of shares to IEPF to which the Company has replied satisfactorily and there were no further queries raised by them till the date of issue of this report.
- c. There was an inspection carried out by the Central Government as per the provisions of Section 206 of the Companies Act, 2013 and which had lead to show cause notices under various Section of the Companies Act, 2013 viz: Section 12, 118, 129, 139 and 152. The Company has paid the penalties under Section 12 and 118 as per the adjudication process and replied satisfactorily for the show cause notices under 129, 139 and 152 and there were no further queries raised by them till the date of issue of this report.

FOR DVD & ASSOCIATES  
COMPANY SECRETARIES

  
Devendra Deshpande  
FCS No. 6099 CP No. 6515



Place: Mumbai  
Date: 15.07.2019

## ANNEXURE A

To,  
The Members  
Shree Renuka Sugars Limited  
BC 105, Povlock Road, Off Havelock Road,  
Cantonment, Belgaum 590 001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion..
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR DVD & ASSOCIATES  
COMPANY SECRETARIES**

  
**DEVENDRA DESHPANDE**  
FCS No. 6099  
CP No. 6515



**Place : Mumbai  
Date : 15.07.2019**